

# **SK Networks Co., Ltd. Corporate Governance Charter**

**2024. 7. 9.**

## Preamble

The ultimate managerial objective of SK Networks, Co., Ltd. (hereinafter referred to as the "Company") is to pursue the happiness of those who have chosen SK based on the belief that being with SK leads to greater happiness (hereinafter referred to as the "members"), as well as that of all other stakeholders surrounding the Company.

The Company serves as the foundation and platform that enables its members and stakeholders to continuously pursue happiness, and must achieve lasting growth and continuity by ensuring both stability and development.

The Company must enhance both economic and social value to promote the happiness of its stakeholders. In doing so, it should strengthen mutual trust with stakeholders, increase the Company's overall value—comprising both economic and social value—and achieve sustainable growth.

The Company provides the following values to its various stakeholders:

The Company

delivers diverse value to its customers, earns their trust by consistently meeting their needs, and ultimately grows together with them;

builds a fair and competitive ecosystem with its business partners, and fosters mutual growth through a virtuous circle of collaboration;

continuously creates shareholder value and thereby enhances its corporate value; and

performs a wide range of roles essential to society—such as protecting the environment, creating jobs, improving quality of life, and contributing to local communities—thereby growing together with society.

Furthermore, the Company strives to achieve a harmonious and balanced pursuit of happiness among stakeholders and must consider both present and future happiness to ensure long-term sustainability.

To ensure the Company's lasting growth and continuity through the realization of this management philosophy, it should establish a sound and transparent governance structure

grounded in responsible, board-centered management, and continuously strive to gain external recognition for these efforts.

With its management philosophy and commitment to establishing a governance structure that embodies it, the Company hereby proclaims the Corporate Governance Charter of SK Networks by resolution of the Board of Directors.

**July 9, 2024**

**SK Networks**

## **Part 1. Board-Centered Responsible Management**

### **Chapter 1. Roles and Responsibilities of the Board of Directors**

#### **Article 1. Objective**

- ① The Board of Directors shall acknowledge that the Company's ultimate managerial goal is to pursue the happiness of its members and stakeholders. and shall endeavor to achieve this objective.
- ② The Board of Directors shall recognize that, for the Company's sustainable continuity and development, it must pursue the happiness of both its members and stakeholders, and shall take this into account in its decision-making process.
- ③ The Board of Directors shall acknowledge that greater economic value can be derived from stakeholders by providing social value, and shall endeavor to strengthen cooperation and trust between the Company and its stakeholders.

#### **Article 2. Responsibilities**

- ① The Board of Directors shall be responsible for establishing and reviewing the Company's objectives and management strategies to achieve the happiness of its members and stakeholders, as well as the Company's sustainable growth.
- ② The Board of Directors shall take ESG management policies into consideration when making decisions regarding the allocation of management resources and capital.
- ③ The Board of Directors shall endeavor to foster a corporate culture that promotes sustainability. To that end, it shall assess and review whether the Company's objectives, values, management strategies, policies and practices are aligned with such a culture.

#### **Article 3. Authority and Functions**

- ① The Board of Directors shall have comprehensive authority over the management of the Company.
- ② The Board of Directors shall oversee key management matters of the Company. The principal functions to be performed by the Board of Directors are as follows:
  - 1. Establishment of managerial objectives and strategies;
  - 2. Review of accounting transparency and sustainability;
  - 3. Appointment and dismissal of the representative director and oversight of executive

management;

4. Evaluation of management performance and determination of compensation levels;
  5. Decision-making on improvements to ESG policies; and
  6. Any other decision-making that may have a material impact on the Company or affect external trust.
- ③ Matters for deliberation and resolution by the Board of Directors shall be governed by the Board of Directors Regulations.

#### **Article 4. Insider Transactions and Self-Dealing**

- ① The Board of Directors shall establish and supervise an internal control system for insider transactions and self-dealing. Such transactions shall be disclosed through a fair and transparent process.
- ② Any action that may significantly affect the interests of the Company and its shareholders, such as mergers, spin-offs or capital transactions among member companies, shall be conducted through legitimate procedures that ensure substantive fairness.

#### **Article 5. Risk Management**

- ① The Board of Directors shall endeavor to systemically manage both financial and non-financial risks, including ESG risks, to ensure the Company's sustainable growth.
- ② The Board of Directors shall endeavor to establish an effective internal control system and other necessary measures for comprehensive risk management.

#### **Article 6. Chief Executive Officer Succession Policy**

The Board of Directors shall establish a succession policy for the representative director and other top executives, and implement a systematic framework to prepare for the expiration of their terms, resignation, or other emergency situations.

#### **Article 7. Remuneration Policy**

- ① The Board of Directors shall design the remuneration policy and practices for the representative to align with the Company's sustainable growth and long-term interests of shareholders.
- ② The Company shall disclose the remuneration and the criteria for determining such

remuneration for key executives in accordance with applicable laws, and directors' remuneration shall be paid within the limits approved by the general meeting of shareholders.

#### **Article 8. Evaluation**

- ① The Board of Directors shall establish a specific procedure to evaluate the Board and the representative director, and shall conduct the evaluation based on fair standards and objective criteria.
- ② The Board of Directors shall utilize the evaluation results to improve the composition and operation of the Board.

#### **Article 9. Relationship with Member Companies**

- ① The Board of Directors may voluntarily decide to engage in mutual sharing and cooperation with SK Group member companies, if deemed necessary to achieve the Company's managerial objectives and sustainable development.
- ② If the Board of Directors decides to pursue such sharing and cooperation, the Company may autonomously utilize infrastructure provided by SK Group,. In doing so, the Board of Directors shall also endeavor to contribute to the survival and enhancement of the value of both the Company and the SK Group as a whole.

### **Chapter 2. Roles and Responsibilities of Directors**

#### **Article 10. Roles of Directors**

- ① The directors shall perform their duties with the duty of care of a prudent manager and shall always act in the best interests of the Company and its shareholders.
- ② Directors shall make informed and reasonable decisions based on adequate information, devoting sufficient time and effort to the decision-making process.
- ③ Directors shall thoroughly review all materials related to Company affairs and faithfully attend meetings of the Board of Directors.
- ④ Directors may, when necessary, ask questions of the management, express their opinions, and seek advice from external experts.

#### **Article 11. Duties and Responsibilities of Directors**

- ① Directors shall not disclose confidential information obtained in the course of

performing their duties, not use such information for their own benefit or that of any third party.

- ② Directors shall not exercise their authority for their own benefit or that of any third party.
- ③ Directors shall be liable to the Company for any damages arising from a violation of laws, regulations or the Articles of Incorporation, or from a neglect of their duties. In cases of willful misconduct or gross negligence, they shall also be liable for damages to third parties.
- ④ The business judgment of directors shall be respected if they have collected reasonably reliable data and information, reviewed it prudently and sufficiently, and performed their duties in good faith and with a reasonable belief that their actions were in the best interests of the Company.
- ⑤ The Company may, at its own expense, purchase directors' liability insurance to ensure the effectiveness of enforcing liability claims and to attract qualified individuals to serve as directors.

### **Chapter 3. Composition of the Board of Directors**

#### **Article 12. Adequate Size of the Board of Directors**

The Board of Directors shall be of a size that allows for effective and prudent discussions and decision-making, and shall be composed of a sufficient number of directors to ensure the proper functioning of the committees established under the Board.

#### **Article 13. Adequate Number of Outside Directors**

The Board of Directors shall include outside directors who are able to function independently from the management and the controlling shareholders (hereinafter referred to as any persons—including individuals, corporations, institutional investors, or any other shareholders—who, regardless of shareholding ratio, exert substantial influence over major managerial matters of the Company, such as appointment or dismissal of officers). The number of outside directors shall be at least three (3) and shall constitute a majority of the Board.

#### **Article 14. Restrictions on Director Appointment**

Individuals who have been responsible for impairing corporate value or violating shareholder rights shall not be appointed as directors.

#### **Article 15. Expertise of the Board of Directors**

The Board of Directors shall be composed of competent individuals with expertise, experience, and knowledge appropriate to the Company, who are capable of making substantial contributions to its management. The term of each appointed director shall be guaranteed unless exceptional circumstances arise.

#### **Article 16. Diversity of the Board of Directors**

- ① The Board of Directors shall be composed in a way that ensures diversity and balance in knowledge, experience, capabilities, and gender, enabling it to fulfill its roles and responsibilities.
- ② By securing such diversity, the Board of Directors shall be able to share a wide range of perspectives and reach objective decisions through effective discussion.

#### **Article 17. Chairperson of the Board of Directors**

The Chairperson of the Board, who represents the Board of Directors, shall be an outside directors and shall be separate from the representative director.

### **Chapter 4. Outside Directors**

#### **Article 18. Independence of Outside Directors**

- ① Outside directors shall be able to make decisions independently of the management and controlling shareholders.
- ② Outside directors shall make efforts to exercise independent judgment without being influenced by the management or controlling shareholders.

#### **Article 19. Disclosure of Independence of Outside Directors**

- ① Outside directors shall submit to the Company, upon accepting their appointment, a confirmation that they have no significant relationship with the Company.
- ② The Company shall verify and disclose that candidates for outside directors have no significant relationship with the Company.
- ③ If there is any change to the confirmation described in Paragraph 1 after an outside



director's appointment, the outside director shall promptly submit an amended version, and the Company shall disclose the updated information.

#### **Article 20. Prohibition on Excessive Concurrent Offices and Competitive Transactions**

- ① Outside directors shall not hold excessive concurrent positions in order to ensure faithful performance of their duties.
- ② Without prior approval of the Board of Directors, outside directors shall not engage in economic transactions related to the businesses of the company they serve as outside directors, nor concurrently serve as outside directors of other companies in the same industry.

#### **Article 21. Performance of Duties**

- ① Outside directors shall devote sufficient time to the performance of their duties and shall review relevant materials in advance prior to attending Board meetings.
- ② To enhance the oversight and advisory functions of outside directors, meetings attended solely by outside directors shall be convened upon their request.

#### **Article 22. Provision of Information to Outside Directors**

- ① The management, including the chief executive officer, shall provide sufficient information in a timely manner to ensure that the outside directors obtain accurate information about the Company's management status. In particular, when a meeting of the Board of Directors is held, the management shall provide relevant information in advance to allow the outside directors to thoroughly review the agenda items.
- ③ Outside directors may request relevant personnel to provide the information necessary for the performance of their duties in order to present opinions on the Company's managerial goals or strategic decisions.
- ④ The Company may designate a department to respond to the information requests of outside directors.

#### **Article 23. Assistance from External Experts**

Outside directors may, when necessary, obtain assistance or advice from the employees, officers, or external experts at the Company's expense, through appropriate procedures and within a reasonable scope.

#### **Article 24. Provision of Sufficient Education Opportunities**

- ① The Company shall provide sufficient educational opportunities to enable directors to effectively fulfill their roles.
- ② Directors shall regularly participate in internal and external training for the effective performance of their duties and shall devote adequate time and effort to gain a clear understanding of their responsibilities and to perform them appropriately.

#### **Article 25. Communication between Outside Directors and Management**

The Company shall endeavor to provide opportunities for regular discussion between outside directors and the management on managerial matters.

### **Chapter 5. Operation of the Board of Directors**

#### **Article 26. Regular Meetings of the Board of Directors**

The Board of Directors shall, in principle, hold regular meetings once a month and may convene additional meetings as necessary.

#### **Article 27. Operation of the Board of Directors**

- ① The Board of Directors shall ensure that all directors are given equal opportunities to express their opinions.
- ② If any director is unable to attend a meeting in person, the Board shall ensure their participation by providing remote communication systems that allow real-time two-way audio transmission.
- ③ The Company shall prepare minutes for each meeting and appropriately maintain and preserve the records.

#### **Article 28. Roles of the Chairperson of the Board of Directors**

- ① The chairperson of the Board shall continuously monitor whether the Company maintains a transparent and sound governance structure and shall seek measures to further improve it.
- ② The chairperson of the Board shall encourage active discussions, lead the Board in a constructive manner, and ensure that outside directors can make informed decisions based on accurate and timely information.
- ③ The chairperson of the Board shall endeavor to build constructive relationships among

directors and between directors and management, and may propose to the Company measures that enable each director to easily access information necessary for timely decision-making.

#### **Article 29. Delegation of the Board's Authority**

The Board of Directors may delegate its authority to the representative director or the committees under the Board, provided that such delegation does not violate applicable laws or the Articles of Incorporation.

### **Chapter 6. Committees under the Board of Directors**

#### **Article 30. Establishment and Operation of Committees under the Board of Directors**

- ① The Board of Directors may establish committees within the Board, composed of an appropriate number of members, to perform specific roles and functions in order to enhance expertise and efficiency.
- ② Each committee shall be composed of a majority of outside directors to ensure.
- ③ Outside directors should refrain from serving on more than three (3) committees to devote sufficient time and effort to Board activities.

#### **Article 31. Roles of Audit Committee**

The Audit Committee shall oversee whether the directors and management perform their duties in a lawful and appropriate manner.

#### **Article 32. Roles of Nomination and Compensation Committee**

The Nomination and Compensation Committee shall recommend candidates for outside directors to be appointed at the general meeting of shareholders, taking into account their expertise and diversity. It shall also assess the representative director, review the retention of the position based on the assessment, and evaluate the appropriateness of the representative director's compensation.

#### **Article 33. Roles of Strategy and ESG Committee**

The Strategy and ESG Committee, in accordance with the principle of board-centered management, serves as a preliminary review body for key managerial decision. It reviews and analyze major matters related to the Company's strategy, environment, social value,

and corporate governance to support the Company's pursuit of long-term and sustainable growth.

## **Part 2. Shareholders**

### **Chapter 1. Rights of Shareholders**

#### **Article 34. Rights of Shareholders**

- ① Shareholders shall have fundamental rights as shareholders based on their shareholder status.
- ② As the owners of the Company, shareholders may participate in the distribution of profits and residual assets, and exercise their voting rights by attending general meetings of shareholders.
- ③ Shareholders have the right to receive sufficient and timely information necessary for the exercise of their shareholder rights, and the Company shall respond to such request in good faith unless there is justifiable reason not to.

#### **Article 35. Protection of Shareholders' Rights**

- ① The Company shall guarantee one vote per share for all shareholders, and any restriction on voting rights for specific shareholders shall be applied only to the extent permitted by applicable laws and regulations.
- ② Matters that may significantly affect the existence of the Company and shareholders' rights shall be determined at the general meeting of shareholders in a way that maximizes the protection of shareholders' rights.
- ③ The Board of Directors shall endeavor to ensure that shareholders who oppose major structural changes—such as mergers or substantial transfers of business—are able to exercise their appraisal right at a fair price that reflects the intrinsic value of their shares, in accordance with applicable laws and regulations.

#### **Article 36. Responsibilities of Shareholders, etc.**

- ① Shareholders shall recognize that the exercise of their voting rights may affect the Company's management, and shall endeavor to exercise such rights proactively for the

Company's development.

- ② Controlling shareholders shall exercise their voting rights in accordance with the law and act in the best interests of the Company and all shareholders.
- ③ The Company shall ensure that minority shareholders can exercise their rights in order to prevent any abuse of control by controlling shareholders and to protect the interests of all shareholders.

## **Chapter 2. General Meeting of Shareholders**

### **Article 37. Subject and Agenda**

- ① The Company shall endeavor to ensure that a variety of topics, including ESG management, can be discussed as agenda items at the general meeting of shareholders.
- ② Prior to the adoption of resolutions at the general meeting of shareholders, the Company shall provide shareholders with sufficient explanations of the agenda items and opportunities to ask questions. However, exceptions may be made if a shareholder intends to disrupt the meeting or raises repetitive or unreasonable questions.

### **Article 38. Date, Time and Place, etc.**

- ① The Company shall provide shareholders with sufficient information on the agenda in advance to allow for prior review.
- ② The Company shall determine the date, time and location of the general meeting of shareholders to maximize shareholder participation, and shall notify shareholders sufficiently in advance in writing or by electronic means.

### **Article 39. Appointment of Directors**

- ① The Company shall endeavor to gather a wide range of shareholder opinions in the process of selecting director candidates and appointing directors.
- ② The Company shall appoint at least one (1) member of the Audit Committee separately from other directors to enhance independence of the Audit Committee.

## **Part 3. Audit**

### **Chapter 1. Internal Audit**

#### **Article 40. Enhancement of Independence and Expertise of Audit Committee**

- ① The Audit Committee shall be composed of at least three (3) members to function effectively as a deliberative body, with at least two-thirds (2/3) being outside directors to ensure objectivity and independence.
- ② Members of the Audit Committee shall not receive any compensation other than their remuneration as directors, in order to perform their duties independently of the management and controlling shareholders.
- ③ To enhance the expertise of the Audit Committee, all members shall have a basic understanding of audit practices, and at least one (1) member shall be an expert in accounting or finance..
- ④ Members of the Audit Committee shall receive regular training related to audit matters.

#### **Article 41. Operation of the Meeting of Audit Committee**

- ① The Audit Committee shall hold a meeting at least once every quarter to ensure the effectiveness of the quarterly reporting system.
- ② The chairperson of the Audit Committee may request the attendance of the management, the office in charge of finance, and the independent auditor at the Audit Committee's meeting, and may also invite other related external parties depending on the agenda.

#### **Article 42. Right of Access to Information, etc.**

- ① Members of the Audit Committee shall have free access to any information necessary to faithfully perform their audit duties.
- ② In addition to Paragraph 1, members of the Audit Committee shall endeavor to collect information and exchange opinions through individual contact with the management, the independent auditor, and others.
- ③ In performing its duties, the Audit Committee may seek cooperation from officers, employees, or the independent auditor and may also request assistance or advice from accountants, attorneys, or other external experts/

### **Chapter 2. External Audit**

#### **Article 43. Maintenance of Independence of Independent Auditor**

The Company shall ensure that the independent auditor maintains both legal and substantive independence from the Company, its management, controlling shareholders, and its consolidated parent company and subsidiaries.

#### **Article 44. Attendance of the Independent Auditor at the General Meeting of Shareholders**

The Company shall ensure that the independent auditor attends the general meeting of shareholders and faithfully answers and explains any questions raised by shareholders regarding the submitted audit report.

#### **Article 45. Communication with the Independent Auditor**

- ① The Audit Committee shall communicate with the independent auditor on the status of the external audit from time to time, and review and discuss any significant matters identified by the independent auditor during the audit.
- ② The Audit Committee shall meet with the independent auditor at least once every quarter, without the presence of management, to discuss key matters related to the external audit.

### **Part 4. Management Oversight**

#### **Chapter 1. Disclosure and Stakeholder Communication**

##### **Article 46. Information Disclosure**

- ① The Company shall endeavor to equally provide all shareholders with any information about the Company that may affect the Company's enterprise value.
- ② The Company shall endeavor to proactively respond to stakeholders' requests for information to the extent permitted by the relevant laws and contracts with their parties, in order to ensure the Company's sustainable growth and the happiness of stakeholders.
- ③ The Company may disclose or publicly announce any matters that have or may have significant influence on the decision-making of shareholders or other stakeholders, in addition to those required to be disclosed under the relevant laws and regulations, unless such matters are trade secrets.

##### **Article 47. Accessibility to Disclosure**

- ① The Company shall post information subject to disclosure, such as business reports, audit reports, operational reports, and investor relations (IR) presentation materials, on its website to ensure easy access.
- ② The Company shall prepare disclosure materials in plain and understandable language, using simple terms whenever possible.

**Article 48. Designation of Officer in Charge of Disclosure, etc.**

- ① The Company shall designate a disclosure officer to effectively carry out disclosure tasks, and establish an internal information delivery system to ensure that important information is promptly delivered to the disclosure officer.
- ② The Company shall ensure that the disclosure officer receives training on disclosure-related matters.

**Chapter 2. Code of Ethics**

**Article 49. Code of Ethics**

- ① The Company shall establish and disclose a Code of Ethics.
- ② If any member of the Company is requested to perform duties that violate the Code of Ethics or conflict with the interests of the Company, they shall report it in accordance with the procedures prescribed in the relevant regulations.



**Addenda (December 22, 2020)**

This Charter was enacted on December 22, 2020, upon approval by the Board of Directors and took effect on the same date.

**Addenda (March 29, 2022)**

This Charter was fully amended on March 29, 2022, upon approval by the Board of Directors and took effect on the same date.

**Addenda (July 9, 2024)**

This Charter was partially amended on July 9, 2024, upon approval by the Board of Directors and took effect on the same date.